Income Tax - Withholding Requirements on Wages

How much Colorado withholding should be deducted from my pay? What if I am working in another state?

Colorado Income Tax must be withheld from any earnings if:

- 1. The compensation is subject to federal withholding for income tax purposes; and
- 2. The person is a Colorado resident (working inside or outside of Colorado) or a nonresident performing services in Colorado.

A Colorado resident who works in another state may be excused from Colorado withholding if income tax is withheld by the other state from the wages. Please contact the applicable state for their withholding requirements.

The number of exemptions claimed for federal income tax purposes determines the amount withheld. To determine how much your employer will withhold for Colorado, please see the Colorado Wage Withholding Tables (DRP 1098).

For retirement pay, please contact the company who issues your retirement to have the correct amount withheld.

To receive a refund on withholding from your Colorado pay or wages, file Colorado income tax Form 104 for the applicable tax year. There is an income tax credit available for taxpayers that are being taxed by Colorado and another state on the same wages. Please see FYI income 17 for more information.